

8 August 1952

MEMORANDUM FOR: Deputy Director (Intelligence)

SUBJECT: Intelligence Deficiencies Revealed in SE-27

1. Attached herewith is a memorandum which I recommend the General sign, whereupon I would propose to disseminate this to the IAC in regular manner. You will note that there is attached to his paper at TAB B a statement for his information of the action which the Agency is taking to strengthen intelligence on China.

2. There is also attached for your signature a memorandum to Mr. Wisner on the question of coordination with the Chinese Nationalists which I recommend you sign.

3. My reason for including the assignment of responsibility to AD/IC in paragraph 4 of the General's memorandum is that this ties in very closely with the problems we have been working on to date with OCD and FDD and I believe can be done better by this office than by the EIC. I will, of course, work closely with Amory in this matter.

JAMES Q. REBER  
Assistant Director  
Intelligence Coordination

cc: AD/NE ✓  
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CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

MEMORANDUM FOR: SPECIAL ASSISTANT, INTELLIGENCE, DEPARTMENT  
OF STATE  
ASSISTANT CHIEF OF STAFF, G-2, DEPARTMENT  
OF THE ARMY  
DIRECTOR OF NAVAL INTELLIGENCE, DEPARTMENT  
OF THE NAVY  
DIRECTOR OF INTELLIGENCE, HEADQUARTERS, UNITED  
STATES AIR FORCE  
DIRECTOR OF INTELLIGENCE, ATOMIC ENERGY  
COMMISSION  
DEPUTY DIRECTOR FOR INTELLIGENCE, THE JOINT STAFF  
ASSISTANT TO THE DIRECTOR, FEDERAL BUREAU OF  
INVESTIGATION

SUBJECT: Intelligence Deficiencies Revealed in SE-27

1. The Office of National Estimates has reviewed with the IAC representatives the intelligence deficiencies in SE-27. These have been presented in Enclosure A.

2. Inasmuch as the intelligence deficiencies are primarily in regard to economic matters, I have requested Mr. Amory, as the Chairman of the Economic Intelligence Committee (EIC), to take up with that Committee as an urgent matter:

a. The review of existing guidance in this field to collection agencies;                     

b. Action required to fill the specific gaps as pointed out on page four of the enclosure relating to seaborne exports from the Communist bloc to Communist China and railroad transportation;

c. Consideration of what additional research facilities within the community should be provided in order to strengthen our research in this field.

3. I am requesting Mr. Amory to make available to me and to the other IAC members a progress report within six weeks.

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4. The statement of intelligence deficiencies points out needs for coordinating, translating, indexing, and distributing the material already available on Communist China. I have requested Mr. Reber, the Assistant Director for Intelligence Coordination to look into this question with the IAC agencies and similarly to submit a report to me and the IAC within six weeks. In connection with this Mr. Reber will keep in close touch with Mr. Amory and will seek the advice of the EIC Subcommittee on Requirements.

WALTER B. SMITH  
Director

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MEMORANDUM FOR: Deputy Director (Plans)

SUBJECT: Intelligence Deficiencies Revealed in SE-27

1. As a means of improving our national estimates, ONE prepares statements of intelligence deficiencies on recent estimates as a basis for remedial action. It has recently done so with respect to SE-27, "Probable Effects of Various Possible Courses of Action with Respect to Communist China." (TAB A)

2. It has been suggested by the Office of Current Intelligence that increased coordination with the Chinese Nationalists would be the most productive source of intelligence information on Communist China. It is hoped that some improvement in field evaluation would also assist our researchers in appraisal of that information.

3. I am asking Mr. Reber to work with your designee on this problem.

LOFTUS E. BECKER  
Deputy Director (Intelligence)

cc: Signer - 2  
Return to OIC - 1  
AD/NE  
AD/RR